

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 09958 01 OF 02 181721Z

45

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 STR-04 AID-05 CEA-01 CIAE-00

COME-00 EB-07 EA-06 FRB-03 INR-07 IO-10 NEA-09

NSAE-00 OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01

OMB-01 SS-15 NSC-05 L-02 PA-01 PRS-01 USIA-06 SAM-01

/113 W

----- 077250

R 181701Z APR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 6629

INFO AMEMBASSY LISBON

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 09958

E.O. 11652: N/A

TAGS: EGEN, OECD

SUBJECT: STATEMENT BY PORTUGUESE FINANCE MINISTER TO
APRIL 9 MEETING OF FINANCE MINISTERS AT OECD

1. DURING THE APRIL 9 RESTRICTED LUNCHEON OF FINANCE
MINISTERS AT THE OECD, AT WHICH THE ONLY US REPRESENTA-
TIVE WAS SECRETARY SIMON, PORTUGUESE FINANCE MINISTER
MADE AN APPEAL FOR INTERNATIONAL UNDERSTANDING OF MEA-
SURES TAKEN BY THE GOP IN ECONOMIC AND FINANCIAL FIELD.
FOLLOWING IS TRANSCRIPT OF THE MINISTER'S STATEMENT
PROVIDED TO US BY OECD SECRETARIAT.

BEGIN TEXT:

MR. CHAIRMAN,
THIS MORNING I WAS SITTING ON YOUR LEFT. NOW I
AM ON YOUR RIGHT. THIS GIVES SOME IDEA OF HOW DIFFICULT
IT IS TO UNDERSTAND THE PORTUGUESE EXPERIENCE.
I AM VERY GLAD TO BE SPEAKING HERE, AND NOT AT A CON-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 09958 01 OF 02 181721Z

REFERENCE TABLE, BECAUSE I AM SURE THAT HERE I SHALL BE

BETTER UNDERSTOOD. I SHALL NOT BE TALKING ABOUT DEMAND MANAGEMENT, EQUILIBRIUM AND CONJUNCTURE POLICY. FOR US IT IS A MATTER OF CHANGING SOCIETY. OUR GREAT AIM IS TO GIVE THE PORTUGUESE PEOPLE A FUTURE. PORTUGAL SUFFERED FROM TWO SCOURGES - ONE WAS COLONIAL WAR AND THE OTHER WAS MASSIVE EMIGRATION. THE FIRST HAS NOW BEEN REMOVED. THE SECOND IS BEING REMOVED.

OF COURSE WE ARE ENCOUNTERING VERY GREAT DIFFICULTIES IN CONVERTING OUR ECONOMY AND ADJUSTING INVESTMENTS TO THE NEEDS OF THE PORTUGUESE PEOPLE.

AMONG THESE DIFFICULTIES IS UNEMPLOYMENT, WHICH STANDS AT 7 PER CENT OF THE ACTIVE POPULATION OR ABOUT 200,000 PERSONS. THEN THERE IS THE SLUMP IN INVESTMENT - PRIVATE ENTREPRENEURS QUITE UNDERSTANDABLY HAVE STOPPED INVESTING. AND THERE IS THE FALL IN EXPERTS. AND THE COST OF DECOLONIZATION.

IT IS IMPORTANT TO REALIZE THAT FOR US DECOLONIZATION DOES NOT MEAN ABANDONING OUR FORMER COLONIES. IT IS OUR INTENTION THAT THEY SHOULD ACCEDE TO INDEPENDENCE, WITH THE HELP OF THE PORTUGUESE PEOPLE IF NECESSARY, TO TAKE THEIR PROPER PLACE IN THE INTERNATIONAL COMMUNITY. WE ARE DETERMINED TO TAKE THE NECESSARY MEASURES TO REACTIVATE THE PORTUGUESE ECONOMY. WE HAVE PLANS TO CONQUER UNEMPLOYMENT AND NORMALIZE ECONOMIC LIFE. MANY ENTERPRISES ARE IN DIFFICULTIES, DUE TO SHORTAGES OF SUPPLIES FOR EXAMPLE, IN TEXTILES, IN BUILDING AND CONSTRUCTION, AND IN OTHER SECTORS.

IT IS IN THIS CONTEXT THAT THE DECISION WAS TAKEN TO NATIONALIZE THE BANKING AND INSURANCE INDUSTRIES. THIS WAS ABSOLUTELY INDISPENSABLE IN ORDER TO SECURE CONTROL OF THE ECONOMY AND SO BE ABLE TO REFLATE THE ECONOMY. PRIVATE ENTERPRISE COULD NOT ACHIEVE THIS REFLATION. PORTUGUESE CAPITALISM IS NOT FRENCH CAPITALISM OR ENGLISH CAPITALISM. YOU NEED TO HAVE LIVED IN THE COUNTRY TO KNOW WHAT IT WAS LIKE, TO APPRECIATE HOW THE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 09958 02 OF 02 181719Z

45

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 STR-04 AID-05 CEA-01 CIAE-00

COME-00 EB-07 EA-06 FRB-03 INR-07 IO-10 NEA-09

NSAE-00 OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01

OMB-01 SS-15 NSC-05 PA-01 PRS-01 USIA-06 SAM-01 L-02

/113 W

----- 077249

R 181701Z APR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 6630

INFO AMEMBASSY LISBON

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 09958

WHOLE ECONOMY WAS IN THE HANDS OF THE BANKS AND INSURANCE COMPANIES. IN THESE CONDITIONS, WHEN PRIVATE ENTERPRISE HAD PRACTICALLY CEASED, IT WAS ABSOLUTELY ESSENTIAL TO REACTIVATE THE ECONOMY. THEREFORE, THE BANKS WERE NATIONALIZED AND THEIR MANagements CHANGED. AND THIS WAS DONE WITH THE LOSS OF FEWER DAYS THAN MANY OF THE COUNTRIES AROUND THIS TABLE HAVE LOST AS A RESULT OF STRIKES IN THEIR BANKING SECTOR.

WE ARE BUILDING A NEW SOCIETY, AND WE ARE PREPARED TO MAKE THE SACRIFICES THAT MAY BE NECESSARY. BUT IT IS VERY IMPORTANT FOR US TO BE ABLE TO COUNT ON MUTUAL AID AND ASSISTANCE. FRIENDLY NATIONS (AND SPECIAL MENTION SHOULD BE MADE OF OECD WHERE WE HAVE SO MANY FRIENDS) MUST TRY TO UNDERSTAND OUR SOCIAL EXPERIMENT, WE ARE ENDEAVORING TO DO SOMETHING DIFFERENT.

THERE HAS BEEN EVIDENCE OF A LACK OF UNDERSTANDING IN CERTAIN SECTORS. IN TOURISM THERE HAVE BEEN CANCELLED BOOKINGS. IN THE EXPORT TRADE ORDERS HAVE BEEN CANCELLED.

LIMITED OFFICIAL USE

PAGE 02 OECD P 09958 02 OF 02 181719Z

CANCELLED. FOREIGN FIRMS HAVE BEEN CUTTING DOWN ON THEIR ACTIVITY IN PORTUGAL. OUR DIFFICULTIES WILL BE OVERCOME. IT IS VERY IMPORTANT THAT YOU SHOULD NOT CREATE ADDITIONAL DIFFICULTIES JUST NOW WHEN WE ARE BUILDING A NEW SOCIETY.

WE HAVE TAKEN MEASURES - FOR EXAMPLE, AGAINST THE FLIGHT OF CAPITAL OR TO LIMIT NON-ESSENTIAL IMPORTS. IN ALL THIS IT IS OUR FIRM DETERMINATION TO RESPECT OUR INTERNATIONAL COMMITMENTS. IN COLLABORATION WITH OUR FRIENDS WE KNOW THAT SOLUTIONS CAN BE FOUND. DURING THIS PERIOD OF TRANSITION, AS WE FEEL OUR WAY FOR-

WARD AND EXPERIMENT, WE SHALL CERTAINLY ENCOUNTER
DIFFICULTIES. WE MAY SUCCEED. AT ANY RATE WE WILL
PERSEVERE.
END TEXT
TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINISTERIAL MEETINGS, SPEECHES, ECONOMIC PROGRAMS, FINANCIAL PLANS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP09958
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750137-0020
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750438/aaaabjcm.tel
Line Count: 174
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: STATEMENT BY PORTUGUESE FINANCE MINISTER TO APRIL 9 MEETING OF FINANCE MINISTERS AT OECD
TAGS: EGEN, OECD, (LOPES, JOSE DA SILVA)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006